

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

V.

CIVIL ACTION NO. 6:23-cv-00321

**ROY HILL, ERIC N. SHELLY,
CLEAN ENERGY TECHNOLOGY
ASSOCIATION, INC., and
FREEDOM IMPACT CONSULTING,
LLC,**

Defendants.

DEFENDANT ROY HILL'S REQUEST FOR HEARING

Defendant Roy Hill (“Mr. Hill”) files this Request for Hearing and would show the Court as follows:

1. Mr. Hill requests that the Court set Receiver's Motion for Instructions [Dkt. No. 75] for a hearing and also submits the declarations attached as **Exhibit 1** and **Exhibit 2** for the Court's consideration.

WHEREFORE, Defendant Roy Hill respectfully asks the Court set Receiver's Motion for Instructions for hearing as described above and for such other and further relief to which he may be entitled.

Respectfully submitted,

/s/ David W. Klaudt

David W. Klaudt

State Bar No. 00796073

klaudtd@gtlaw.com

GREENBERG TRAURIG, LLP

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Dallas, Texas 75201

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ATTORNEY FOR DEFENDANT ROY HILL

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing document has been served on all parties that have appeared through the Court's electronic filing system on July 18, 2024.

/s/ David W. Klaudt

David W. Klaudt

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

SECURITIES AND EXCHANGE §
COMMISSION, §
§
Plaintiff, §
§
v. § CIVIL ACTION NO. 6:23-cv-00321
§
ROY HILL, ERIC N. SHELLY, §
CLEAN ENERGY TECHNOLOGY §
ASSOCIATION, INC., and §
FREEDOM IMPACT CONSULTING, §
LLC, §
§
Defendants.

DECLARATION OF DOUGLAS MATHENEY

I, Douglas Matheney, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration, which are known by me to be true and correct, and if called as a witness, I could and would testify competently concerning these facts.
2. I have provided two documents that have been filed in this lawsuit. The first is Document 81, Exhibit 2-A. This is a letter dated April 22, 2024. The second is Document 87, Exhibit A-1. This is a letter dated May 23, 2024. In these letters I expressed my interest in bringing Buyers' Groups and their representatives to observe the CETA equipment in operation for potential purchase.

3. I have reviewed David Klaudt's email to Dennis Roossein, dated June 19, 2024 and attached to this declaration as Attachment A. This email contains a list of tasks needed to fire up the CETA equipment and related estimates of the time and expense required for each of the tasks. Based on my experience in the coal industry, I believe the estimates and costs we will pay directly to vendors and people doing the work of \$121,500 to be accurate.

4. I have also reviewed Mr. Roossien's email to Mr. Klaudt dated July 11, 2024 (attached hereto as Attachment B) in which he questions the viability of firing up the equipment and whether the parties who I represented are truly interested in acquiring the equipment.

5. I work with a couple investors and at least five coal mines that are interested in looking at the CETA equipment to determine if they are interested in making a bid. In order to perform their due diligence, the Fairfield plant needs to be fired up and operational. The investors and mines I work with would directly pay the costs associated with that process.

6. Mr. Roossien stated that my influence seems to "fallen off" after I left my position at the end of the Trump Administration. In fact, in 2021, my sister-in-law died as a result of COVID-19 and I stepped back from my work to focus on helping care for my older brother.

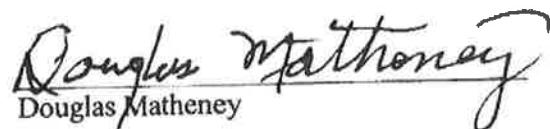
7. After my brother's death, it was time for me to get back to work. I purchased an RV to be able to travel as needed in my work. This RV serves as my primary residence at this time.

8. Rick and Staci Palmer allowed me to park my RV on their property at 1610 Nob Hill Road in Zanesville, Ohio. That address therefore serves as a reliable address for receiving express packages and my regular mail whether I am traveling or not.

9. The investors and mines I work with are interested in moving forward with beginning the process of conducting their due diligence as soon as possible. I believe the CETA equipment to be worth materially more than what the Receiver would obtain selling the materials for scrap.

Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed this 18 day of July 2024, in Belpre Ohio.


Douglas Matheney

ATTACHMENT A

Klaudt, David (Shld-Dal-LT)

From: Klaudt, David (Shld-Dal-LT)
Sent: Wednesday, June 19, 2024 4:53 PM
To: 'Roossien, Dennis'
Subject: RE: Trust #2

Dennis:

We have bidders who are interested in buying the CETA plants at Fairfield and Streetman and our goal is to maximize the return for the estate. However, they want to fire up the plant at Fairfield to see the extent to which it still is functional. Because they are willing to pay the vendors necessary to do this with their own money, this will not cost the receivership estate any money.

Here is the projected timelines, tasks, and costs to accomplish this project.

(1) - Week One after Entrance to the Property:

- (a) - On Location Inventory of usable PRB raw coal for testing and running - Cost - (none).
- (b) - Send sample of raw coal to independent lab for testing and results - Cost estimate is \$2,500.00.
 (Note it could take up to 2 weeks to get lab results back)
- (c) - 2 former employees check all breakers to be sure all are properly shut off - Cost estimate - \$1,600.00

(2) - Week Two:

- (a) - Take a current Inventory of spare parts at both Fairfield and Streetman Plant locations to be sure any likely replacement parts, valves, fittings, etc. are still on hand (If they are missing other parts will have to be reordered or removed from existing units for replacement) Cost estimate for inventory and replacement parts location only - \$3,600.00 ***if no parts must be ordered. Note - in this process the volumes of liquids still on hand would also be inventoried.***

(3) - Weeks Three and Four:

Connection Process to have all Utilities and communications equipment cut back on for Fairfield Plant and checking all electrical units, transformers, etc. to be sure they are there and all still properly working after winter storms. If utilities have been cut off, the best estimate for this is going to be a - Cost estimate - of \$20,000.00. to just cut back on. We would also need to add a minimum amount to this number for 120 days more of operation of \$17,500.00 for a total Cost estimate of \$37,500.00

(4) - Week Five:

(a) Receiver's Rep returns the computers, screens, and servers to the control room at Fairfield Plant for testing by our folks to be sure they all still work properly, and hard drives have not been removed or disturbed for operational purposes. It will cost approximately \$8,425 to install and test the computers, screens and servers at the Fairfield plant.

(b) - If the equipment and electronic components do not work anymore, then new servers would have to be purchased and software programs installed.

If a new installation must occur this will take at least 2 additional weeks for a total of three weeks of \$12,500.00 (used for totals here instead) as opposed to the \$8,425.00 listed in (4 (a)) above. We would use refurbished servers for this purpose to save on costs.

(5) - If everything goes well, we will now be at Week Eight.

(a) -A dry (no coal in units) heating up and testing equipment would be done for the units to be used for demonstration for buyers.

(b) - Units would have to be serviced to be sure all valves, electronics, lines, separators, Co2 equipment on location, separators, and storage facilities are all in operational condition.

- Cost estimate for this is - \$5,200.00

(6) - Week Nine:

(a) CETA owned two Bobcats that were stored at the Streetman plant. Those Bobcats will need to be picked up and moved to Fairfield, along with the buckets for loading and unloading. If they are gone, replacement Bobcats and loaders will have to be rented.

(b) A chair lift will also have to be rented for two months.

- Cost estimate in a worst-case example assuming all must be rented is - \$12,600.00 -

One must assume that it will take this entire week to take delivery of the rental equipment needed.

(7) - Weeks Ten and Eleven:

(a) -One Production test run would be done with personnel for 60 hours - Cost estimate with necessary personnel would be \$16,000.00 including servicing of units after production Test.

(b) - Estimated independent labs test results for test run results - Cost estimate is \$2,500.00

(8) - Week Twelve out from the start of operations of Week One whenever that takes place -

We are now ready for the potential buyers to come see at least some full portion of the Fairfield Plant in full operation. Estimate cost for this operation with proper personnel for 2

visits is \$27,500.00 including clean up and servicing of units after two fully operational runs is \$27,500.00.

Total Estimate of all costs associated with this procedure is - \$121,500.00

Additionally, this would realistically mean that Buyer's groups could be lumped together in 2 visits and would be able to be here by week thirteen or fourteen to see all in operation. If we can be back in the Plants to start by say July 1st, 2024, we would be ready for Buyers by the week of September 23rd, 2024, and be receiving offers by October 10th, 2024.

All these costs will be paid either by Mr. Matheney and/or the buyer's groups "directly to the parties that will perform the tasks involved in this process." In this way the current Receivership Estate is out no money for this procedure.

We would need you to now withdraw your current Motion without prejudice to refiling after October 22nd, 2024, if we have not received bids that are considered commercial and valuable for this case and the Receiver's Estate. In addition, if there are no potential buyers, we would have no basis to oppose the refiled motion.

Such a Motion and Order can be sent to you for filing as soon as you agree.

It is our hope to have this timeline and set of tasks implemented by the 1st of July of 2024 with Fairfield Plant access to be able to undertake this set of operations.

Also, as a part of your April 1st, 2024, Motion you also wanted to do an interim distribution. If you can send us the calculation you intend to use for a distribution, along with a name list of whom would receive the funds and how much they are to receive, there is a good chance we can agree on some form of distribution that takes into account such things as previous distributions, claw backs, taxes, etc.

In this way, once we agree on the figures, we would be in a position to file a jointly agreed Motion for distribution.

We would, however, want the agreed upon amount of distribution to come from the Clean Energy Technology Association, Inc. (CETA) account at Wells Fargo (Account No. 9712467738).

Please give me a call so we can get this moving. Thanks.

Dave

ATTACHMENT B

Klaudt, David (Shld-Dal-LT)

From: Roossien, Dennis <droossien@munsch.com>
Sent: Thursday, July 11, 2024 7:04 PM
To: Klaudt, David (Shld-Dal-LT)
Subject: Matheney

EXTERNAL TO GT

Dave –

After doing some background work and looking at the CETA emails, I have many questions about Mr. Matheney, and, by extension, the notion of firing up the machinery for folks to look at it.

First, I see that Mr. Matheney has already spent a good amount of time promoting CETA with nothing to show for it. Mr. Hill connected with Mr. Matheney in mid-2017. A CETA employee who ran a check on Mr. Matheney correctly described him as “one of the many temporary staffers Trump has installed in federal agencies”. At that time, Mr. Matheney had the title “special advisor” in the “Office of Fossil Energy” within the Department of Energy. Prior to that, he had been involved in some political initiatives relative to coal. His history in politics includes being a County Commissioner in McConnelsville Ohio in the 1980’s. In any event, over the next three years, Mr. Matheney set up meetings for Hill with various officials, and had some officials visit the CETA facilities. It went nowhere.

Second, Mr. Matheney’s influence seems to have fallen markedly after the Trump administration ended. In fact, in April 2021, Mr. Matheney wrote an email to Mr. Hill complaining that it had been a long time since he’d heard back from Mr. Hill, and asking for a job at CETA.

Third, some of the things being said in the last round of communications are simply fanciful. For example, in April 2023, Mr. Matheney is telling one of the folks trying to halt the shutdown of the Colstrip power plant that “I believe we can still help to keep them operating.” That’s reminiscent of Mr. Hill’s claim that CETA would save the Big Brown Power Plant.

Fourth, an investor did point out Mr. Matheney failed to spell what is supposed to be his own street correctly, and, well, it is Staci Palmer’s house, which makes a person wonder. Whatever the story is there, it’s not encouraging.

All of this begs the question of who Mr. Matheney really has on his list of interested parties, and what he or Mr. Hill has told folks to put together \$125,000.

Separate and apart from the above, the plan to fire things back up makes little sense when we consider that the equipment was in a demonstration state for years.

So, we do not believe the Court should delay consideration of this matter.

If Mr. Hill removes that condition from the proposal, please let me know.

Regards,

Dennis

Dennis L. Roossien, Jr.

Munsch Hardt Kopf & Harr, P.C.
500 N. Akard Street, Suite 4000 / Dallas, Texas 75201-6605

Direct: +1.214.855.7535 / droossien@munsch.com / munsch.com

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EXHIBIT 2

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

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CIVIL ACTION NO. 6:23-cv-00321

**ROY HILL, ERIC N. SHELLY,
CLEAN ENERGY TECHNOLOGY
ASSOCIATION, INC., and
FREEDOM IMPACT CONSULTING,
LLC,**

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Defendants.

DECLARATION OF RUSTY BELL

I, Rusty Bell, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration, which are known by me to be true and correct, and if called as a witness, I could and would testify competently concerning these facts.

2. I prepared and submitted a letter, dated April 11, 2024, that was filed in this lawsuit as Document 80-1. I have attached a copy of it to this declaration.

3. The companies I list in my letter were all interested in evaluating the CETA equipment in the spring of 2023. However, due to the lawsuit, they were not able to.

4. If the CETA equipment is put back into operation, it will give the listed companies and possibly others the opportunity to evaluate the equipment and its potential value.

5. Shortly after I submitted my letter, I received a telephone call from Dennis Roossien. He identified himself as the Receiver's attorney. On that call, he attempted to discourage me from expressing interest in evaluating the CETA equipment.

Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed this 18th day of July 2024, in Gillette, WY.



A handwritten signature in black ink, appearing to read "Rusty Bell".

Rusty Bell

ATTACHMENT A



Office of Economic Transformation

"Exhibit A"

April 11, 2024

To whom it may concern,

As the Director of the Office of Economic Transformation, I am tasked with developing and implementing a strategic plan that diversifies and helps build a more resilient economy in the nation's largest coal producing region. The Powder River Basin of Wyoming (PRB) is home to 12 open pit coal mines and produced 230 million tons of coal in 2023. I am privileged to be able to help implement and work with Arch Resources, Peabody Energy, Prairie Eagle Mining, Navajo Transitional Energy, and Black Hills Energy daily. We all recognize the decline in future thermal coal use, and it is in all our best interest to find new ways to use our valuable resource.

We are encouraged to be able to come, see and pursue an acquisition of equipment/licensing being owned or operated by CETA for coal distillation, CO2 absorption, capture, and the separation processes. In that endeavor, we would like to visit as early as April 22nd, 2024, if possible, to see the operating facility at Fairfield, Texas in actual operation as a part of our due diligence process for the operating companies of interest.

Since we have been trying to come do our due diligence since May 2023, please let me know when an "in-Operation" site visit can be arranged, as soon as possible. This is very important to us.

Kindest regards,

A handwritten signature in black ink, appearing to read "Rusty Bell".

Rusty Bell

Director-Office of Economic Transformation

Rusty.bell@transformgillette.net

307-306-8606